

**MNUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
DEPARTMENT OF WATERWORKS**

**DATE: FEBRUARY 26, 2003**

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The meeting of the Board of Directors (the "Board") of the Department of Waterworks (the "Department") was called to order at 6:03 p.m. in the Public Assembly Room of the City-County Building. The following Board members were present: Samuel L. Odle, John Mutz, Beulah Coughenour, S. Michael Hudson, Barbara Howard and Jack Bayt.

Chairperson Odle commended the heroic work of USFilter Indianapolis Water ("USFIW") employees in the recent cold months. The chairperson stated that a report on the employee benefits of USFilter employees, as set forth in Exhibit A attached hereto and made a part hereof (the "Report"), has been submitted to the Board and would be available to the public. He stated that a request for the Report should be made to the Office of Corporation Counsel.

Chairperson Odle stated that pursuant to its obligations under the management agreement with USFilter, the Department will continue to monitor the employee benefits of USFilter. The chairperson stated that the Department will continue to respect the judicial process initiated by USFilter personnel on this matter. Chairperson Odle stated that as in previous Board meetings, upon the advice of counsel, matters currently subject to litigation would not be addressed by the Board in public comments at this month's Board meeting.

**I. Minutes of the Board Meeting of January 28, 2003**

The minutes of the January 28, 2003 meeting of the Board (the "Minutes") were submitted by Chairperson Odle for a motion of approval by the Board as set forth in Exhibit B attached hereto and made a part hereof. A motion was made and seconded. The Board unanimously approved the Minutes.

**II. Report of the Financial Manager of the Department**

The Department's Financial Manager Robert Erney submitted to the Board his report as set forth in Exhibit C attached hereto and made a part hereof (the "Financial Report"). The chairperson asked why December 31 to January revenues rose. Mr. Erney stated that USFIW stated it occurred due to increase pumpage and possible increase in collections.

Vice chairperson Mutz asked why some outlying service areas have significantly different revenues. Mr. Erney stated it is based on use.

**III. Report of the Operations Manager of USFIW**

James Keene, Operations Manager and President of USFIW, presented his report to the Board as set forth in Exhibit D attached hereto and made a part hereof ("USFIW Report"). Mr. Keene introduced USFIW's interim management personnel.

He stated that USFIW distributed a boil advisory notice yesterday due to a main break and that USFIW is remedying the matter. Mr. Keene stated that fire hydrants have been a public issue and that he wished to speak to it. He stated that USFIW in coordination with the Department has instituted new procedures to address the concern. He stated that this was done in coordination with the Indianapolis Fire Department. He stated six crews are in place and overtime has been committed to address the concern. He added that the new procedures include a service man on call to address fire hydrant concerns and communication with fire hydrant users. He added that the procedures in place have resulted in the insurance industry placing USFIW in the highest rating of fire protection.

Mr. Hudson asked if USFIW is operating under the same procedures the Indianapolis Water Company employed. Mr. Keene responded affirmatively. Mr. Hudson asked if other local water companies have experienced main break and fire hydrant problems this year due to harsh weather. Mr. Keene responded affirmatively and that he is aware that Louisville, Kentucky's water utility experienced similar problems.

Kobi M. Wright, Special Assistant Corporation Counsel, stated that the Chief of the Indianapolis Fire Department stated to the Department and USFIW that to his knowledge the problems with frozen fire hydrants this year are not unique to this year and are an annual concern.

Mr. Keene stated that he spoke to two communities referenced in news articles and both stated they feel confident in USFIW's fire hydrant procedures.

Chairperson Odle asked if USFIW was conducting a search for permanent personnel. Mr. Keene stated changes will occur.

#### **IV. Report of the Director of Contracts and Operations of the Department**

Carlton Curry, Director of Contracts and Operations of the Department, presented his report to the Board as set forth in Exhibit D attached hereto and made a part hereof ("Department Report").

Mr. Hudson asked the Department to provide an account of the capital projects budgeted and the amount of projects individually approved by the Board when capital projects are submitted for approval to the Board. Mr. Curry stated he would work with Mr. Erney to provide this information.

## **V. Resolution No. 1, 2003- Approval of Certain Capital Projects**

Mr. Curry summarized Resolution No.1, 2003. Ms. Coughenour asked Mr. Curry about Exhibit G of the resolution. Mr. Curry stated that this project deals with alum and White River. Ms. Coughenour asked if this project is related to alum sludge payments to the Department of Public Works. Jeff Dieterlen, vice president of operations of USFIW stated that the alum sludge process that interacted with the sewer system has terminated.

Chairperson Odle asked Mr. Curry if he was confident that these projects are of the highest priority for 2003. Mr. Curry stated that all of these projects served as the basis of the capital plan approved as part of the 2003 Department's capital budget. Mr. Curry added that USFIW will submit a five year capital plan later this year and the Department's staff will then review and make a recommendation concerning the priorities of the five year capital plan. Mr. Curry stated that he has met with the Marion County Health Department ("MCHD") to involve the Department in MCHD's advance planning concerning water matters.

A motion was made and seconded to approve the resolution. The Board unanimously approved Resolution No.1, 2003.

Chairperson Odle called a five minute break in the meeting to permit the assembly of technical equipment to present an upcoming report.

## **VI. Report of USFIW Billing and Customer Service**

The chairperson called the meeting to order. Mr. Keene introduced Rosemary Campbell as the leader of a task force to address customer service and billing concerns. He added that she is from Three Valleys Water north of London, England. Rosemary Campbell of USFilter presented a report to the Board concerning the status of billing and customer service matters. A summary of the report is set forth in Exhibit E, attached hereto and made a part hereof. She also stated that Three Valleys has 1.5 million connections and three million customers.

Mr. Bayt asked why there so many more calls presently. Mr. Keene answered that USFIW is pursuing a long term and short term attack to remedy these matters. In the short term, he noted that USFIW has directed resources to address known Smarte Suite billing issues. He added that there may be unknown billing issues that may arise during Ms. Campbell's review.

Mr. Bayt asked what percentage of the calls are related to Smarte Suite issues. Ms. Campbell answered 60% of the calls concern the billing center. Twenty percent are about queries about the contents of the bills. She added that because there are busy outs and that they have not been monitored before, USFIW can't state what happened

previously. Ms. Coughenour added that problems concerning billings and calls also resulted from stormwater billing concerns. She added that stormwater bills are no longer part of the USFIW billings thus the billing matter should improve. She added that USFIW's plan to remedy the matter looks good and was happy to have Ms. Campbell at USFIW.

Ms. Howard sated she commended Ms. Campbell for arriving in a short period of time to address these matters and that she looks forward to seeing her results.

Vice chairperson Mutz stated that the presentation was fine and asked if the Indiana Utility Regulatory Commission (IURC) had seen the presentation. Ms. Campbell responded affirmatively. Mr. Mutz asked if USFIW has flexibility with its personnel to implement its plan. Ms. Campbell stated that has been agreed upon with the employees.

Mr. Mutz asked if the Interactive Voice Recognition (IVR) is dependent upon the telephone switch installation. Ms., Campbell stated no but that it does not make sense to install the IVR until the switch is installed. She added that the switch will increase telephone lines into the utility from 32 to 96. She added not all of these lines will be for customer service matters. She added that the IVR monitors the calls coming in.

Mr. Mutz asked if USFIW will have a 40 seat call center. Ms. Campbell stated affirmatively and that 12 other water clients will be serviced by this center. Vice chairperson Mutz commended USFIW for that initiative to apply to several situations when one is under stress. He added that this is similar to what is done by Cinergy.

Vice chairperson Mutz asked how many more employees are needed to accomplish USFIW's plan. Ms. Campbell stated 13 additional call center employees and ten additional intellectual technology employees.

Mr. Bayt asked if USFIW will conduct internal monitoring of USFIW employees for customer service. Ms. Campbell stated affirmatively.

Mr. Hudson reaffirmed other Board members remarks concerning the high quality of Ms. Campbell's report. He asked for a report as to the remediation of Smarte Suite and when that system will be operational.

Ms. Campbell responded that USFIW has identified 47 items that need to be completed to make Smarte Suite fit for purpose as a billing engine. 8 items are left to complete and expect to have those complete by May 1, 2003. She added that USFIW will not know if other problems exist. She added that USFIW is identifying other problems. Ms. Campbell stated work will continue on the system for some time.

Mr. Keene stated the 47 items were identified in fall of 2002. He added that there may be unknown issues embedded in the code that may reveal themselves in Ms. Campbell's long term effort. Mr. Hudson asked if USFIW is going to uncover these problems before

the customer is subjected to them. Ms. Campbell stated the Quality Billing Team serves this purpose along with work from outside contractors.

Mr. Hudson asked if there is system to take the customer complaint and feed that back into USFIW to remedy the problem. Ms. Campbell answered affirmatively.

Mr. Wright mentioned that in this month's IURC meeting USFIW stated it intended to work with the IURC concerning bill formatting. Ms. Campbell stated that USFIW has been working with the IURC on that matter.

Mr. Odle asked if Smarte Suite should be discarded in favor of a new one. Ms. Campbell stated that even if Smarte Suite should be discarded, it would take one year to put in a new system thus USFIW has to move forward with Smarte Suite. She added that USFIW is working to address problems other than that by addressing contact management concerns.

Mr. Odle asked why the accounts receivable increased so much in one month. Ms. Campbell stated USFIW knows what the accounts receivable are but not why they increased and that USFIW will address this matter.

## **VII. Other Business**

Mr. Odle asked if others had business to bring before the Board and that comments should be brief and no more than three minutes.

Glenn Pratt commended Mr. Curry for working with MCHD. Mr. Pratt asked the Department to support House Bill 1944. Mr. Pratt announced that he is impressed with the work undergoing with nutrient study. He also stated that the monitoring should be greater than on a quarterly matter. He encouraged the Department and USFIW to enter into the NPDES permitting process. Mr. Pratt also stated that United Way currently has a shortfall which is partially due to USFIW's lower contribution to United Way. Mr. Pratt stated that he has heard that a reduction in maintenance crews has created a fire hydrant concern. He added that the Department should examine whether maintenance has been reduced.

Clark Kahlo asked if the Citizens Advisory Group ("CAG") reports directly to the Board. Mr. Wright stated the CAG does not but the Service Advisory Board ("SAB") does. He added that the SAB which is comprised of representatives of local jurisdictions advises the Board. Mr. Kahlo asked that the CAG be clear as to its mandate.

Hearing no further comments, Chairperson Odle adjourned the Board at 8 p.m.

Approved this 24th day of March 2003.

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Samuel L. Odle, Chairperson

Attest:

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S. Michael Hudson,  
Secretary-Treasurer